

ENGINEER'S REPORT

Prepared for the

CITY OF SAN DIEGO

**Otay International Center
Maintenance Assessment District**

Annual Update for Fiscal Year 2004

under the provisions of the

**San Diego Maintenance Assessment District Ordinance
of the San Diego Municipal Code**

and

**Landscape and Lighting Act of 1972
of the California Streets and Highways Code**

Prepared by

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May 2003

CITY OF SAN DIEGO

Mayor

Dick Murphy

City Council Members

Scott Peters District 1	Brian Maienschein District 5
Michael Zucchet District 2	Donna Frye District 6
Toni Atkins District 3	Jim Madaffer District 7
Charles Lewis District 4	Ralph Inzunza, Jr. District 8

City Manager

Michael T. Uberuaga

City Attorney

Casey Gwinn

City Clerk

Charles G. Abdelnour

City Engineer

Frank Belock

Assessment Engineer

Boyle Engineering Corporation

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EXHIBITS

- Exhibit A: Boundary Map
- Exhibit B: Estimated Annual Expenses, Revenues & Reserves
- Exhibit C: Assessment Roll

Engineer's Report

Otay International Center

Maintenance Assessment District

Preamble

Pursuant to the provisions of the "San Diego Maintenance Assessment District Ordinance" (being Division 2, Article 5, Chapter VI beginning at Section 65.0201 of the San Diego Municipal Code), provisions of the "Landscape and Lighting Act of 1972" (being Part 2 of Division 15 of the California Streets and Highways Code), applicable provisions of "Proposition 218" (being Article XIID of the California Constitution), and provisions of the "Proposition 218 Omnibus Implementation Act" (being California Senate Bill 919) (the aforementioned provisions are hereinafter referred to collectively as "Assessment Law"), in connection with the proceedings for the OTAY INTERNATIONAL CENTER MAINTENANCE ASSESSMENT DISTRICT (hereinafter referred to as "District"), BOYLE ENGINEERING CORPORATION, as Assessment Engineer to the City of San Diego for these proceedings, submits herewith this report for the District as required by California Streets and Highways Code Section 22565.

FINAL APPROVAL, BY RESOLUTION NO. _____,
ADOPTED BY THE CITY COUNCIL OF THE CITY OF SAN
DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, ON THE
_____ DAY OF _____, 2003.

Charles G. Abdelnour, CITY CLERK
CITY OF SAN DIEGO
STATE OF CALIFORNIA

Executive Summary

Project: Otay International Center
Maintenance Assessment District

Apportionment Method: Equivalent Benefit Unit (EBU)

	FY 2003	FY 2004 ⁽¹⁾	Maximum ⁽²⁾ Authorized
Total Parcels Assessed:	179	179	--
Total Estimated Assessment:	\$308,950	\$227,721	--
Total Number of EBUs:	4,302.91	4,302.28	--
Assessment per EBU:	\$71.80	\$52.93	\$71.80

⁽¹⁾ FY 2004 is the City's Fiscal Year 2004, which begins July 1, 2003 and ends June 30, 2004. Total Parcels Assessed, Total Estimated Assessment, and Total Number of EBUs may vary from prior fiscal year values due to parcel changes and/or land use re-classifications.

⁽²⁾ Maximum Authorized annual amounts subject to cost indexing provisions as set forth in this Engineer's Report.

District History: The District was established in July 1994 to provide for the maintenance of specific streetscapes and landscaped center medians. In 2000, the District was reformed to allow for an increase in the overall assessment, with additional provisions for annual cost-indexing in accordance with Proposition 218 requirements.

Annual Cost Indexing: An increase of assessments, under authority of annual cost indexing provisions, is not required for Fiscal Year 2004.

Bonds: No bonds will be issued in connection with this District.

Background

The Otay International Center Maintenance Assessment District (District) was established in July 1994. The District provides for the maintenance of streetscapes and landscaped center medians along major arterial streets and the corridors along State Route 905 from the north end of the Otay International Center project to the border station property.

In 2000, the City of San Diego (City) retained Boyle Engineering Corporation (Boyle) to prepare an Engineer's Report for the re-engineering of the Otay International Center Maintenance Assessment District (District). The District was re-engineered in order to allow for an increase in the overall assessment (with additional provisions for annual cost-indexing) in accordance with Proposition 218 requirements. The Engineer's Report was approved and assessments confirmed in Fiscal Year 2001.

District Proceedings for Fiscal Year 2004

This District is authorized and administered under the provisions of the "San Diego Maintenance Assessment District Procedural Ordinance of 1986" (being Division 2, Article 5, Chapter VI beginning at Section 65.0201 of the San Diego Municipal Code), provisions of the "Landscape and Lighting Act of 1972" (being Part 2 of Division 15 of the California Streets and Highways Code), applicable provisions of "Proposition 218" (being Article XIID of the California Constitution), and provisions of the "Proposition 218 Omnibus Implementation Act" (being California Senate Bill 919) (the aforementioned provisions are hereinafter referred to collectively as "Assessment Law"). This report has been prepared in compliance with Assessment Law.

The purpose of the proposed proceedings and this Engineer's Report is to update the District budget and assessments for Fiscal Year 2004. The Fiscal Year 2004 assessments proposed within this Engineer's Report do not represent an increase from the previous year's assessments. Therefore, the vote requirements of Section 4 of Article XIID do not apply to these proceedings.

A public hearing will be scheduled where public testimony will be heard by the Council, and the Council may, at its discretion, adopt a resolution ordering the levying of the proposed assessments.

Bond Declaration

No bonds will be issued in connection with this District.

District Boundary

The Boundary Map & Assessment Diagram for the Otay International Center Maintenance Assessment District is on file in the Maintenance Assessment Districts Section of the Park and Recreation Department of the City of San Diego and by reference is made a part of this report. A reduced copy of the Boundary Map & Assessment Diagram is depicted in Exhibit A.

Project Description

The project to be funded by the proposed assessments is the maintenance of specified streetscapes and landscaped medians. The District provides for the maintenance of streetscapes and landscaped center medians along major arterial streets and the corridors within the District. The improvements include parkway landscaping along Paseo Internacional (State Route 905) from the U.S. Customs Station to Airway Road, and approximately 33,800 square feet of landscaped medians and 34,500 square feet of hardscaped medians along Siempre Viva Road from Harvest Road to Enrico Fermi Drive.

Maintenance activities include, but are not limited to, turf mowing, edging and aeration, irrigation, revegetation and replacement of damaged plant material, tree and bush trimming, fertilizing, weeding, ongoing inspection and repairs.

The engineering drawings for the improvements to be maintained by the District are on file at Map Records in the City Engineer's office and are incorporated herein by reference. The specifications for maintenance to be performed are contained in City Contract Number L4013/01 which is incorporated herein by reference and are on file with the City Clerk and the Park and Recreation Department. Detailed maps depicting the location and type of improvements to be

maintained are on file with the Park and Recreation Department. The maps and specifications for maintenance are available for public inspection during normal business hours.

Separation of General and Special Benefits

Consistent with City policy for the public at large, the City will provide the District with annual contributions from the Gas Tax Fund for median maintenance (18.0¢ per square foot of landscaped median and 1.3¢ per square foot of hardscaped median) and from the Environmental Growth Fund for open space maintenance (\$26.63 per acre). These allocations are considered to be a “general benefit” administered by the District. All other maintenance, operation, and administrative costs, which exceed the City’s contribution to the public at large, are “special benefits” funded by District.

Cost Estimate

Estimated Costs

Estimated Fiscal Year 2004 annual expenses, revenues, reserves, and assessments (provided by the City) are included as Exhibit B hereto.

Assessments authorized and collected as part of these proceedings may be used for future balloting and re-engineering efforts, as may be required from time to time.

Annual Cost Indexing

With the passage of Proposition 218, any proposed increase in assessments must be placed for approval before the property owners by a mail ballot and a public hearing process, similar to these proceedings. A majority of ballots received must be affirmative for the City Council to confirm and levy the increased assessments. For small assessment districts or districts with relatively low dollar assessments, the cost of an engineer’s report, balloting, and the public hearing process can potentially exceed the total cost of the increase. These incidental costs of the proceedings can be added to the assessments, resulting in even higher assessments.

Indexing assessments annually to the San Diego Consumer Price Index for Urban Consumers (SDCPI-U), as approved by the District property owners in Fiscal Year 2001, allows for minor increases for normal maintenance and operating cost escalation without incurring the costs of the Proposition 218 ballot proceedings. Any significant change in the assessment initiated by an increase in service provided or other significant changes to the District would still require the Proposition 218 proceedings and property owner approval.

The maximum authorized assessment established in the Fiscal Year 2001 proceedings are authorized to be indexed (increased or decreased) annually by the factor published in the SDCPI-U. Fiscal Year 2002 was the first year authorized for such indexing. However, it has been determined that an increase in assessments, as authorized by the cost indexing provisions, is not required for Fiscal Year 2004.

Method of Apportionment

Estimated Benefit of Improvements

The Transportation Element of the City's General Plan and the general policy recommendations found in the local Community Plan establish several goals for the community's transportation system and urban design features. The improvements being maintained by this District are consistent with the plans' goals for safety and pleasing aesthetics.

Apportionment Methodology

The total maintenance assessment for a given parcel is equal to the parcel's total equivalent benefit units (EBUs) multiplied by the unit assessment rate, as shown in the following equation:

$$\text{Total Assessment} = \text{Total EBUs} \times \text{Unit Cost Per EBU}$$

EBUs for each parcel have been determined as a function of two factors, a Land Use Factor and a Benefit Factor, related as shown in the following equation:

$$\text{EBUs} = (\text{Acres or Units}) \times \text{Land Use Factor} \times \text{Benefit Factor}$$

Each of these factors are discussed below.

Land Use Factor

Since the improvements to be maintained by the District are primarily associated with the Transportation Element of the City's General Plan and local Community Plan, trip generation rates for various land use categories (as previously established by the City's Transportation Planning Section) have been used as the primary basis for the development of Land Use Factors. While these trip generation rates strictly address only vehicular trips, they are also considered to approximately reflect relative trip generation for other modes of transportation (e.g., pedestrian trips, bicycle trips, etc.), and are considered the best available information for these other transportation modes.

The special benefits of the improvements maintained by the District are linked to trip generation primarily by the public safety and aesthetic enhancement enjoyed by travelers through the community. Trip generation rates provide the required nexus and basis for assigning ratios of maximum potential benefit to the various land use/zoning classifications as defined by the City's Municipal Code.

Land use/zoning classifications have been grouped with average trip generation rates assigned to establish the Land Use Factors as shown in Table 1.

TABLE 1: Land Use Factors

Land Use/Zoning	Code	Land Use Factor
Commercial	COM	45.0 per acre
Hotel	HTL	15.0 per acre
Industrial	IND	15.0 per acre
Open Space (designated)	OSP	0 per acre
Utility Facility	UTL	3.0 per acre

Designated Open Space serves primarily to preserve natural landscape and habitat. While access for study and passive recreation is sometimes permitted, these activities are usually allowed only to the limited extent consistent with the primary purpose of natural preservation. Since this land is essentially "unused" in the customary terms of land use (which relate to

human use, not use by nature), the trip generation rate is zero. Therefore, the designated Open Space receives no benefit from the Transportation Element and has been assigned a Land Use Factor of zero.

Benefit Factor

The Land Use Factor described above reflects the relative intensity of use (or potential use) of the various parcels of land to be assessed. It does not address the relationship of this use to the specific improvements to be maintained by the District. This relationship is reflected in the Benefit Factor utilized in the assessment methodology.

In determining the Benefit Factor for each land use category, the subcomponents of the benefits of District improvements considered may include some or all of the following: public safety, view corridors and aesthetics, enhancement of community identity, and recreational potential. As Benefit Factors and their subcomponents are intended to reflect the particular relationships between specific land uses within a district and the specific improvements maintained by the district, Benefit Factors will generally vary from one district to another, based on the specific character and nature of the applicable land uses and improvements maintained.

The applicable benefit subcomponents and resultant composite Benefit Factors determined for the various Land Use/Zoning categories within this District are as shown in Table 2.

TABLE 2: Benefit Factors by Land Use

Land Use/Zoning	Public Safety (max. 0.4)	Aesthetics (max. 0.6)	Composite Benefit Factor (max. 1.0)
Commercial	0.4	0.3	0.7
Hotel	0.4	0.3	0.7
Industrial	0.4	0.3	0.7
Open Space (designated)	0.4	0	0.4
Utility Facility	0.4	0	0.4

Public Safety. All land uses are considered to receive the maximum available benefit from the public safety element of District improvements. Public safety is essential to all land uses, and even to lands, such as designated Open Space, held in stewardship with only incidental human use.

Aesthetics. The degree of benefit received from the aesthetic qualities of landscaped medians and streetscapes maintained by the District varies among land use categories. Lands in the Open Space and Utility Facility categories are considered to receive no significant benefit from the aesthetic elements of District improvements, as enhanced aesthetic quality of other lands in the vicinity does not affect their function, use, or value.

Unit Assessment Rates

The unit assessment rate for maintenance (unit cost per EBU) is equal to the total maintenance cost divided by the total EBUs:

$\text{Unit Cost Per EBU} = \text{Total Maintenance Cost} / \text{Total EBUs}$
--

As described above, the total assessment assigned to each parcel has been calculated based on the preceding factors. Based on the above methodology, the apportionment factors, EBUs, unit assessment rates, and total assessment calculated for each parcel can be found in the Assessment Roll (Exhibit C).

Summary Results

The Boundary Map & Assessment Diagram for the District is shown in Exhibit A.

An estimate of the maintenance costs associated with District improvements is shown in Exhibit B.

The assessment methodology utilized is as described in the text of this report. Based on this methodology, the EBUs and Fiscal Year 2004 District assessment for each parcel were calculated and are shown in the Assessment Roll (Exhibit C).

Each lot or parcel of land within the District has been identified by unique County Assessor's Parcel Number on the Assessment Roll and the Boundary Map and Assessment Diagram referenced herein. The net assessment for each parcel for Fiscal Year 2004 can be found on the Assessment Roll.

This report has been prepared and respectfully submitted by:

BOYLE ENGINEERING CORPORATION

Eugene F. Shank, PE

C 52792

Alex Bucher, EIT

CA 112628

I, _____, as CITY CLERK of the CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, do hereby certify that the Assessment as shown on the Assessment Roll, together with the Assessment Diagram, both of which are incorporated into this report, were filed in my office on the _____ day of _____, 2003.

Charles G. Abdelnour, CITY CLERK
CITY OF SAN DIEGO
STATE OF CALIFORNIA

I, _____, as CITY CLERK of the CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, do hereby certify that the foregoing Assessment, together with the assessment diagram incorporated into this report, was approved and confirmed by the CITY COUNCIL of said City on the _____ day of _____, 2003.

Charles G. Abdelnour, CITY CLERK
CITY OF SAN DIEGO
STATE OF CALIFORNIA

I, _____, as SUPERINTENDENT OF STREETS of the CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, do hereby certify that the foregoing Assessment, together with the assessment diagram was recorded in my office on the _____ day of _____, 2003.

SUPERINTENDENT OF STREETS
CITY OF SAN DIEGO
STATE OF CALIFORNIA

EXHIBIT A



BOUNDARY MAP & ASSESSMENT DIAGRAM

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF SAN DIEGO, STATE OF CALIFORNIA, THIS ____ DAY OF _____, 2000.

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF THE OTAY INTERNATIONAL CENTER MAINTENANCE ASSESSMENT DISTRICT, CITY OF SAN DIEGO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF, HELD ON THE ____ DAY OF _____, 2000, BY ITS RESOLUTION NO. _____.

PREPARED BY:
CHARLES G. ABDELNOUR, CITY CLERK
CITY OF SAN DIEGO
STATE OF CALIFORNIA

BOYLE ENGINEERING CORPORATION
7807 Convey Court, Suite 200, San Diego, California 92111 (619) 268-8080

CHARLES G. ABDELNOUR, CITY CLERK
CITY OF SAN DIEGO
STATE OF CALIFORNIA

AN ASSESSMENT WAS LEVIED BY THE CITY COUNCIL OF THE CITY OF SAN DIEGO ON THE LOTS, PIECES, AND PARCELS OF LAND SHOWN ON THIS ASSESSMENT DIAGRAM. SAID ASSESSMENT WAS LEVIED ON THE ____ DAY OF _____, 2000. SAID ASSESSMENT DIAGRAM AND THE ASSESSMENT ROLL WERE RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS OF THE CITY OF SAN DIEGO, STATE OF CALIFORNIA ON THE ____ DAY OF _____, 2000. REFERENCE IS MADE TO THE ASSESSMENT ROLL RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS FOR THE EXACT AMOUNT OF EACH ASSESSMENT LEVIED AGAINST EACH PARCEL OF LAND SHOWN ON THIS ASSESSMENT DIAGRAM.

NOTE:
FOR A DETAILED DESCRIPTION OF THE LINES AND DIMENSIONS OF LOTS OR PARCELS SHOWN ON THIS MAP, REFER TO THE COUNTY ASSESSOR'S MAPS WHICH SHALL GOVERN WITH RESPECT TO ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

- LEGEND:
- District Boundary
 - Improvement Locations
 - Parcel Lines



CITY OF
SAN DIEGO

OTAY INTERNATIONAL CENTER
MAINTENANCE ASSESSMENT DISTRICT

W.O. DATE: MAY 2000 REVS:

EXHIBIT B

Maintenance Assessment Districts

Council Districts: 3 and 7
Fund: 70234

Mid-City

Mid-City Maintenance Assessment District			
	FY 2002 ACTUAL	FY 2003 BUDGET	FY 2004 PROPOSED
Positions	0.55	0.55	0.55
Personnel Expense	\$ 17,448	\$ 41,238	\$ 41,315
Non-Personnel Expense	188,841	537,489	802,233
TOTAL	\$ 206,289	\$ 578,727	\$ 843,548

The Mid-City Maintenance Assessment District (District) was established in July 1987 to provide maintenance of street trees, landscaped medians, benches and enhanced streetlights within the District boundaries. The District currently consists of five Sub-districts (1, 2, 4, 12, 13) within the Mid-City area located along Adams Avenue, El Cajon Boulevard, Park Boulevard, and University Avenue.

The Mid-City Maintenance Assessment District Committees for each Sub-district approved their Fiscal Year 2004 Proposed budgets by March 12, 2003.

MID-CITY	FY 2003 ESTIMATE	FY 2004 PROPOSED
BALANCE	\$ 409,217	\$ 477,127
Revenue		
Assessments	\$ 312,998	\$ 315,515
Interest	12,470	20,930
Developer Contribution	-	20,000
City Contributions	9,976 ⁽¹⁾	9,976 ⁽¹⁾
TOTAL OPERATING REVENUE	\$ 335,444	\$ 366,421
TOTAL REVENUE AND BALANCE	\$ 744,661	\$ 843,548
Expense		
Personnel	\$ 36,882	\$ 41,315
Contractual	126,232	151,356
Incidental	37,432	270,571
Utilities	66,988	76,360
Contingency Reserve	-	303,946
TOTAL EXPENSE	\$ 267,534	\$ 843,548
BALANCE	\$ 477,127	\$ -
Assessment Rate per Linear Foot Footage (LFF): ⁽²⁾	FY 2003	FY 2004
Sub-District 1	\$9.68	\$9.68
Sub-District 2	\$6.99	\$7.27 ⁽³⁾
Sub-District 4	\$5.68	\$5.90 ⁽³⁾
Sub-District 12	\$3.79	\$3.94 ⁽³⁾
Sub-District 13-1	\$9.32/\$0.66	\$9.32/\$0.66
Sub District 13-2	\$6.61/\$0.66	\$6.61/\$0.66

⁽¹⁾ In Fiscal Year 2003, the City contributed general benefit of \$1,431 from Gas Tax for maintenance of 7,950 square feet of landscaped medians in Sub-district 12, and \$8,545 for 47,474 square feet in Sub-district 13 at \$0.18 per sq. ft. In Fiscal Year 2004, the City will contribute general benefit of \$1,431 from Gas Tax for maintenance of 7,950 square feet of landscaped medians in Sub-district 12, and \$8,545 for 47,474 square feet in Sub-district 13 at \$0.18 per sq. ft.

⁽²⁾ The District contains a total of 145,650.0 Linear Front Feet (LFF). All Sub-districts are assessed on major street frontages except for Sub-district 13, where the side-street frontages are also assessed.

⁽³⁾ The assessment increase in Sub-Districts 2, 4 and 12 is based on the San Diego Urban Consumer Price Index (SDCPI-U) of 3.95 percent.

EXHIBIT B

EXHIBIT C

Due to the size of the Assessment Roll (Exhibit C), only limited copies are available. Please contact the City of San Diego, Park & Recreation Department, Open Space Division, Maintenance Assessment Districts Program at (619) 685-1350 to review the Assessment Roll.